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January 12, 1927.

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FOREIGN NEWS ON FATS AND OILS

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PRODUCTION AND TRADE IN PEPPERMINT OIL

Production in United States

There are no satisfactory figures on the production of peppermint oil in the United States. According to trade estimates a normal output in this country is in the neighborhood of 450,000 pounds. The 1925 production fell considerably short of this mark while the 1926 output was undoubtedly considerably higher, possibly up to 600,000 pounds. An indication of the increase in production of 1926 over 1925 may be obtained from the peppermint acreage harvested or for harvest in the principal states. In 1925 about 20,500 acres of peppermint were harvested in Indiana, the principal producing state, while in 1926 the acreage for harvest is estimated at about 41,000. In Michigan 5,000 acres were harvested in 1925, while there were over 10,000 acres for harvest in 1926. In addition to this acreage, there were about 3,000 acres planted to peppermint in Washington and Oregon, which is much larger than the 1925 planting.

Foreign production

Japan is the only important producer of peppermint oil outside of the United States, although small quantities are produced in England, Germany, France and Russia. The Japanese oil imported into the United States is used principally for the making of menthol since it yields a higher proportion of menthol crystals than the American product. The American oil is used chiefly for flavoring and medicinal purposes and commands a higher price.

The 1926 crop of crude peppermint oil in Japan amounted to about 1,500,000 pounds, according to Consul E. R. Dickover at Kobe. This crop is about double the 1924 crop of 800,000 pounds and about the same as the 1925 output. The 1926 production was expected early in the season to amount to 2,500,000 pounds, but the actual output was much smaller on account of heavy rains and rust which affected the plants during the summer.

The Japanese farmers are now obtaining a good price for their crude peppermint oil, according to Consul Dickover, and consequently it is expected that as large an acreage will be planted to peppermint in 1927 as in 1926.

United States exports and imports of peppermint oil

The exports of peppermint oil from the United States show wide variations from year to year. In 1924 the exports amounted to 176,820 compared with 68,038 pounds in 1925. During the first eleven months of 1926 the exports totaled 54,062 pounds compared with 64,898 during the corresponding period of 1925. The United Kingdom and Canada are the principal markets for this oil.

The fluctuations in the imports of peppermint oil are even greater than in the case of exports. In 1924 only 376 pounds of oil were imported for consumption in the United States while in 1925, when the crop in this country was relatively poor, the imports amounted to 25,123 pounds. In the first nine months of 1926 the imports totaled 15,438 pounds. Most of this came in during the first six months since the imports during July to September, when the prospects of a large output in this country became apparent, amounted to only 608 pounds.

PEPPERMINT OIL: United States imports and exports, average 1910-14 and annual 1918-26

Year ending Dec. 31	Imports			Exports		
	Quantity	Value	Import value per pound	Quantity	Value	Export value per pound
	Pounds	Dollars	Dollars	Pounds	Dollars	Dollars
Average, 1910-14 a/	5,478	16,740	3.06	128,408	340,022	2.65
1918	39,687	46,768	1.18	59,606	202,856	3.40
1919	200,420	302,186	1.51	97,880	654,282	6.68
1920	62,426	110,703	1.77	61,847	457,395	7.40
1921	10,554	13,944	1.32	104,908	264,714	2.52
1922	3,169	5,276	1.66	128,606	298,743	2.32
1923	1,395	3,847	2.76	123,212	366,273	2.97
1924	376	3,130	8.32	176,820	846,528	4.79
1925	25,123	155,682	6.20	68,038	775,703	11.40
1926 (9 mos. Jan.-Sept.)	15,438	161,228	10.44			
1926 (11 mos. Jan.-Nov.				54,062	492,788	9.11

Compiled from Foreign Commerce and Navigation of the United States, 1910-1925, and official records of the Bureau of Foreign and Domestic Commerce.
a/ Year ending June 30.

Prices

Because of the small output in 1925 the price of peppermint oil advanced to extremely high levels with the top being reached at a range of $26.50 to $28.00 per pound for natural oil in New York in December. Throughout the year 1926 the price of peppermint oil showed a steady decline from $24.00 to $27.00 in January to $4.75 to $5.25 in December. The latter price, although considerably lower than the December price in 1925 and 1924, was higher than the price for that month in the years 1923, 1922 and 1921. The decline in price in 1926 was undoubtedly primarily due to the very much larger domestic production.

PEPPERMINT OIL, NATURAL: Range of price per pound, New York, by months, 1921 - 1926

Month	1921	1922	1923	1924	1925	1926
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Jan	4.75-5.60	1.70-	2.85-3.00	3.25-	10.00-11.00	24.00-27.00
Feb	4.25-4.50	1.70-	2.85-	3.25- 3.50	12.00-13.50	19.00-23.00
Mar	3.25-3.75	1.70-	2.65-2.85	3.60- 3.75	14.25-15.00	15.50-18.00
Apr	2.60-3.25	1.75-	2.70-2.80	4.00- 4.50	13.50-14.00	14.00-15.00
May	2.40-2.60	1.75-1.85	2.65-	4.25- 4.50	13.00-13.25	13.50-14.25
June	2.25-2.40	1.85-1.90	2.65-	4.00-	13.00-19.00	13.75-14.00
July	2.10-2.25	1.90-2.00	2.65-	4.00-	19.00-20.00	13.50-14.00
Aug	1.75-2.10	2.10-3.25	2.65-2.70	4.15- 4.35	14.00-18.00	10.00-12.25
Sept	1.90-2.00	3.00-3.25	2.90-3.10	4.50- 4.60	15.00-15.25	7.00- 9.25
Oct	1.75-1.85	2.70-2.90	3.00-3.10	5.75- 6.25	16.00-17.50	6.25- 7.00
Nov	1.75-	2.00-2.60	3.10-3.15	6.50- 8.25	18.00-28.00	5.50- 6.75
Dec	1.70-	2.60-2.85	3.15-3.25	9.00-10.00	26.50-28.00	1/ 4.75- 5.25

Division of Statistical and Historical Research. Compiled from Oil, Paint and Drug Reporter, weekly quotations.

1/ Range is for three weeks only.

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FOREIGN NEWS ON FATS AND OILS

SUNFLOWER SEED SITUATION IN RUSSIA

The 1926 sunflower seed acreage of Russia, which country furnishes the bulk of the sunflower seed entering into world commerce, was reduced by approximately 17% compared with 1925, according to a report recently issued by the Soviet Central Statistical Administration and forwarded to the Department of Agriculture by Mr. G. C. Haas, the American Agricultural Commissioner at Berlin. A preliminary estimate places the 1926 sunflower seed area at 6,150,500 acres as compared with 7,435,200 acres in 1925. A preliminary production estimate places the 1926 crop at between 1,950,000 and 2,438,000 short tons as against 2,943,000 short tons in 1925. The 1926 estimate is subject to revision owing to damage reported to have been incurred as a result of unfavorable weather conditions during the growing and harvesting periods in the Central-Agricultural and the Volga Districts.

The decline in the 1926 acreage is said to be due principally to the fact that other forms of agriculture, mainly wheat production, have been more profitable. As sunflower seed is grown principally in the important wheat producing region of South Russia, the price of wheat is an important factor in determining the area devoted to sunflower production. In previous years the price of sunflower seed per pound was about equal to, and at times slightly higher than, the price of wheat. During the past two years, however, sunflower seed has brought considerably lower prices than wheat and this fact is believed to have been a material factor in the decline in acreage.

The Central Statistical Association points out that the vegetable oil situation in Russia is highly unsatisfactory since the aggregate production of the principal oleaginous products shows a decline while the oil requirements of the nation have increased. The unfavorable situation has evidenced itself in the slow realization of the "procurement campaign". According to the People's Commissariat of Trade, only 270,846 short tons were "procured" during the four months July-October this season as compared with 601,820 short tons during the corresponding months of the 1925-26 season. This situation makes the possibility of the Russian vegetable oil monopoly executing its 1926-27 production plan very doubtful, and the monopoly which utilizes sunflower seeds is revising its original production plan to meet the new situation.

The "Torgovo-Promischlennaya Gaseta", a semi-official trade and industry paper, states that energetic measures must be taken to encourage peasants to plant at least as many acres of sunflower seed as were cultivated in 1925. The prices fixed by the "monopoly" must be revised in order to make the peasants interested in the production and sale of sunflower seed.

The report also points out that measures must be taken to improve the quality of the product. In recent years peasants have cultivated sunflowers without paying any attention to quality and as a result the crop has deteriorated greatly.

The following table gives the acreage and production of certain oleaginous products in Russia during 1925 and 1926:

OIL SEEDS: Acreage and Production, Russia, 1925 and 1926

Seeds	Area		Production	
	1925	1926	1925	1926
	Acres	Acres	Short tons	Short tons
Sunflower......	7,435,244	6,150,457	2,943,193	1,950,091-2,437,614
Flax	3,838,097	3,839,188	664,476	725,867
Hemp	2,258,029	2,215,374	622,946	621,140
Cotton	1,613,381	1,662,475	400,852	442,382

Source: Preliminary Report of Central Statistical Administration.

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FOREIGN NEWS ON FATS AND OILS

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1926-27 OLIVE OIL PRODUCTION IN THE MEDITERRANEAN BASIN

Production of olive oil in the Mediterranean Basin for the 1926-27 season is expected to be below that of last year, according to estimates so far received. Italy is the only country of importance for which no estimate is available from official sources or the International Institute of Agriculture. Early reports of the Italian crop varied, production being placed above that of 1925 by the National Olive Growers Society while the trade placed the crop slightly lower than 1925 on account of insect damages and bad weather. The latest report, one from an unofficial trade source, gives a definite figure and places the crop considerably above that of last year. Should this estimate be borne out, the total for the Mediterranean Basin may be expected to be very little below that of 1925-26.

Early reports for Spain indicated a good crop but later conditions were very unfavorable and the estimate now accepted shows a production of only 511,499,000 pounds, the lowest since 1916-17, when 456,606,000 pounds were produced. Production in Greece shows a large increase over last season and increases are also expected in Tunis, France and Greater Lebanon while the crops of Portugal, Algeria, and French Morocco are smaller.

OLIVE OIL: Production in Mediterranean Basin, 1923-1926

Country	1923	1924	1925	1926 Preliminary
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Spain	658,865	738,959	722,176	511,499
Italy	391,896	459,656	295,210	a/ 441,000
Greece	107,630	264,554	126,524	231,489
Portugal	95,920	69,730	84,768	35,272
Algeria	69,189	52,477	55,134	24,253
Tunis	48,500	48,500	74,959	88,185
France	31,770	18,000	15,433	17,640
French Morocco	15,870	19,180	22,046	4,406
Palestine	5,236	10,805	5,928	---
Syria	26,452	22,929	12,655	12,123
Alaouites	3,965	22,929	4,406	3,310
Greater Lebanon	5,510	11,240	4,406	15,433
Turkey	b/ 98,920	b/ 77,160	c/ 18,000	---
Cyprus	2,310	4,231	883	---
Yugoslavia	7,010	11,325	3,020	---
Total comparable 1926 -				
Excluding Italy	1,063,671	1,248,879	1,122,507	943,610
Including estimate for Italy	1,455,567	1,708,535	1,417,717	1,384,610
Total Mediterranean Basin	1,569,043	1,812,056	1,445,548	---

Official sources and International Institute of Agriculture except as otherwise stated. a/ Unofficial trade estimate. b/ Consular Report. c/ Consul estimate based on 1924 production.

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FOREIGN NEWS ON FATS AND OILS

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SUMATRA PALM OIL INDUSTRY

The production of palm oil is one of the newest and most promising of the various plantation industries of Sumatra, says Consul Sydney B. Redecker at Medan. A survey of the palm oil situation in that country indicates that production in Sumatra in the near future will equal that of West Africa. Much attention is being devoted to the scientific development of plantations and seed selection with a view toward attaining the maximum yield per acre. It is estimated that even if there should be no further increase in the area planted with oil palms, the present area is sufficient to yield at least 88,000 short tons of palm oil per annum when the trees come into bearing within the next seven years.

The significant feature in connection with the oil palm industry in Sumatra is the growing demand for the Sumatra product in the manufacture of articicial butter and margarine in the United States and Europe. Because of the highly scientific methods of cultivation and preparation used in Sumatra, the palm oil produced there has a very low percentage of acid which makes it useful for the manufacture of margarine and similar products. The high percentage of fatty acid in West African palm oil resulting from the crude methods employed by the natives there has always been an obstacle in the way of palm oil being used for the manufacture of margarine and articicial butter. Palm oil seems to possess a highly important property for the margarine industry in that margarine made from palm oil shows little tendency to acquire a rancid taste. The increasing use of palm oil by the margarine interests in the United States and Europe has, of course, a direct bearing on the demand and price of cottonseed oil.

The entire palm oil industry of Sumatra and in fact of all of the Dutch East Indies is practically concentrated in the Province of Sumatra East Coast. Plantations have been established in Java and in South Sumatra, but these are relatively unimportant. It is reported that the success of the oil palm industry in Sumatra has encouraged planting in British Malaya where an area of 10,000 acres is said to have been devoted to oil palms in 1925. The only other important producing area of palm oil is West Africa where the industry has been established for many years and from which region most of the present world production is secured.

Increase in production

The Sumatra oil palm industry was started with seeds brought in from West Africa in 1910. Considerable experimentation and selection has been carried on, as a result of which the Sumatra trees in general are said to be of a much better strain and more uniform type and produce a larger quantity and better quality of oil than the parent stock in Africa. Not only is scientific research work carried on along cultivation lines in developing selected trees with a maximum productivity per acre, but attention is likewise being devoted to the mechanical treatment of the fruits with a view to developing improved factory methods so that a maximum quantity of high grade oil may be recovered. The area planted with oil palms in 1913 amounted to only 6,500 acres. The war checked further development of the industry until in 1917 when the new period of expansion, which is still in progress, set in. The total area devoted to oil palm plantations in Sumatra in 1925 was estimated at 98,000 acres. About four-fifths of that area has not yet begun to bear fruit, and the remaining fifth is only in partial bearing. It is estimated that this area in about ten years will be producing approximately 100,000 short tons of palm oil per annum.

The first production of oil from the palm trees is secured only in the fifth year after planting. During the first producing year an average of 268 pounds of oil is secured from one acre planted with about 58 or 60 trees in a triangular system at distances of 10 x 10 yards. After the fifth year, however, the production of the trees rapidly increases until the eighth year when a production of about 1,780 pounds per acre is reached. This is considered good average productivity for trees eight years old and older. Experiments are being conducted with a view toward developing a tree which will remain true to type and yield the maximum quantity of oil. It is quite likely, states Consul Redecker, that the new areas recently planted and those to be planted in the future with specially selected trees will yield a higher productivity than 1,780 pounds.

Probable future production

There undoubtedly will be further increases in planted areas not only by the extension of plantations already in existence, but also by the establishment of entirely new plantations in the virgin territory that is now being opened, states Consul Redecker. In fact, new areas are now being prepared for planting. The following table, while covering only areas for which statistics are available, shows the steady growth of the oil palm industry in the Sumatra East Coast since 1919, when the industry first became established on an export basis. These statistics do not include the large oil palm plantations of the "Handelsvereeniging Amsterdam."

PALM OIL: Area and exports from Sumatra East Coast

Year	Planted area a/	Producing area	Exports	
			Palm Oil	Palm kernels
	Acres	Acres	Short tons	Short tons
1919	12,659	7,198	200	-
1920	22,432	7,386	397	-
1921	20,003	8,051	2,711	-
1922	30,589	8,070	2,804	-
1923	38,041	10,215	2,995	542
1924	47,787	11,196	5,557	1,391
1925	61,123	17,013	7,612	1,267
1926	-	-	b/ 11,023	c/ 1,580

Source: Consul Sydney B. Redecker at Medan, Sumatra.
a/ Area of plantations actually reporting. Does not include estimated 37,000 acres of the "Handelsvereeniging Amsterdam". b/ Estimated by Medan Chamber of Commerce. Actual exports for the nine months, January-September, 1926, were 9,271 short tons. c/ Nine months, January-September.

There is considerable difference in the methods employed in the palm oil industry in West Africa and in Sumatra, states Consul Redecker. In West Africa the fruits are gathered by natives from wild trees according to primitive methods. In Sumatra the entire industry is conducted under European management according to the most advanced scientific principles in both the cultivation and the preparation phases of the industry. Owing to the efficient methods of treating the oil palm fruits in Sumatra in contrast with the primitive methods used in Africa, the Sumatra palm oil is of a very superior quality and commands a higher price on world markets. As the market price of the oil is based upon its acid content, a premium being paid for each percentage below a fixed percentage of acidity, the Sumatra producers endeavor to produce oil with as little acidity as possible. The Sumatra product is characterized by an exceedingly low "free-fatty acid" content. Some Sumatra plantations produce oil with as little as 2 per cent or 3 per cent of "free-fatty acid". As any oil with an acid content of less than 5 per cent is suitable for use in the manufacture of margarine, there has been an increasing demand from the margarine interests for good quality Sumatra palm oil. The African product, owing to its extremely high acidity, is used chiefly for technical purposes.

Distribution of Sumatra palm oil exports

The first shipments of palm oil from Sumatra in bulk were made in 1925. Prior to that time all shipments had been made in containers, chiefly wooden barrels. Special tank cars have been installed on the Sumatra railways and special tank barges are used for the rapid transportation of oil to the port of Belawan-Deli, where it is either pumped into special storage tanks or directly into the specially equipped tanks of ocean steamships.

During the first years of the Sumatra industry and up until 1922, Holland was by far the leading market for the Sumatra exports. In 1924 England became the leading purchaser. In 1925 the United States came into the market, taking approximately one-third of the total production for that year compared with negligible quantities in former years. The first nine months of 1926 have shown a still larger volume of direct exports to the United States.

It is believed that the increasing exports of Sumatra palm oil directly to the United States is the beginning of a permanent and steadily growing trade, states Consul Redecker. In former years, Sumatra producers found it easier to ship to England for sale on the Liverpool market and American importers found it advantageous to make their purchases on the world market at Liverpool. Now that Sumatra production has attained such important proportions and in view of the increasing demand for palm oil in the United States, both producers in Sumatra and consumers in this country are finding it to their mutual advantage to establish direct relations. Heretofore practically all of the palm oil shipped to the United States was destined to Atlantic coast ports, chiefly Boston and New York. Direct trade is now developing between Sumatra and San Francisco and Los Angeles. Further development along the latter line depends only on the establishment of additional tank facilities for transporting oil in bulk.

The following table shows clearly the significant changes in the distribution of the Sumatra palm oil esports and the increasing importance of the United States as a direct importer:

PALM OIL Exports from Sumatra, 1923-25 and June-September 1926

Destination	1923	1924	1925	Jan.-Sept. 1926
	Short tons	Short tons	Short tons	Short tons
Holland	1,489	1,233	1,627	2,707
England	1,282	3,182	1,536	1,572
Belgium	47	---	---	42
Germany	2	733	1,495	847
United States	99	182	2,583	4,171
Siam	75	---	---	---
Australia	--	---	---	187
Japan	--	123	261	86
France	--	---	---	40
Denmark	--	---	---	67
Other countries	--	101	111	1
Total	2,994	5,556	7,613	9,720

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FOREIGN NEWS ON FATS AND OILS

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INDIA OILSEED CROPS 1926-27

Reports on the oilseed crops of India so far received indicate conditions less favorable than those of last season, although it is too early for any definite statement as to the size of the 1926-27 oilseed output. First estimates of acreage of linseed and rape and mustard seed are below those of the same time last season, while the final estimate of sesamum production shows a drop compared with last year. The second estimate of the area sown to peanuts was slightly above the corresponding estimate for last year.

The linseed crop of Bihar and Orissa, the most important linseed producing province of India, benefited greatly from the January rains and prospects are well maintained, according to a trade journal. In Bengal the linseed condition is reported as only 58 per cent of normal due to unfavorable rain the end of December while in Punjab frost and failure of rainfall have lowered the condition of spring oilseeds (flaxseed, rape and mustard seed) to 84 per cent of normal.

The third or final estimate of the 1926-27 sesamum crop places production at 401,000 short tons or 14.5 per cent below the 1925-26 crop of 469,000 short tons, according to a trade journal quoting official figures. The total area for this year is placed at 4,533,000 acres compared with 4,980,000 acres sown last year.

The first estimate of the area sown to rape and mustard seed in India up to the beginning of January was 3,085,000 acres or 10 per cent below the 3,410,000 acres sown at the same time last year, according to the Indian Trade Journal. These figures do not include the mixed crop, or seed interspersed with gram, barley, etc. for which no estimate is available until June. The total area sown last season amounted to 5,592,000 acres. Weather conditions at the time of sowing were reported as generally favorable but the condition of the crop depends largely upon the winter rains. A later report on conditions for February 1 states that in Bengal rape and mustard conditions are only 72 per cent of normal due to unfavorable rains. In Bihar and Orissa the January rains arrived too late to help the rape and mustard seed crops while in Punjab the condition of oilseeds is only 84 per cent of normal due to the frost and failure of rainfall. Excluding the mixed crop of the United Provinces, the three provinces reporting conditions are the leading provinces in rape and mustard production in India.

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March 19, 1927

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FOREIGN NEWS ON OLIVES AND OLIVE OIL

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OLIVE AND OLIVE OIL PRODUCTION IN GREECE, 1926-27

Latest available returns for the 1926-27 olive crop of Greece place production at 515,192 short tons of olives and approximately 193,579,000 pounds of olive oil, according to a report from Vice Consul Gilman at Athens. Earlier reports indicated an olive crop of 635,444 short tons with oil production of about 231,489,000 pounds, but continued drought and ravages of the "dacus" or olive fly during the ripening season have resulted in a reduction of the estimate, according to the Consul. Production of olive oil in 1925-26 amounted to 126,524,000 pounds while the 1924-25 crop was 264,554,000 pounds.

It is estimated that approximately 94 per cent of this year's olive crop has been converted into oil, leaving only 31,243 short tons of olives for home consumption and export. Unfavorable conditions are said to have resulted in a decrease in the quality as well as the quantity of the crop. The olives are smaller in size and flavor is not up to normal. This in turn has resulted in an inferior quality of oil.

Although oil production this season is much above that of last year, the embargo prohibiting the export of edible olive oil from Greece is still in force. This restriction does not apply to commercial or sulphured oils or to the olives themselves. A special permit was recently granted exporters of the Island of Mytiline to export about 2,822,000 pounds of edible oil, the greater part of which has already been shipped principally to Egypt, Rumania and Bulgaria.

Prices of olive oil fluctuated greatly during the buying season, depending upon the ability of the producer, who generally needed money to hold out against the low prices offered by buyers who were convinced that the inferior quality of the crop would result in a general fall in prices. In February the average wholesale prices at the warehouses in the districts of production located on regular traveled lines of communication were 11¢ per pound for oil of 5 degrees acidity, and 10¢ for oil of 8 to 10 degrees acidity.

Wholesale prices of olive oil in the Piraeus market were:

Degrees acidity	Cents per pound
1	19
3	17
5	16
6 - 8	15 - 16
8 -10	15

Olive oil from the island of Mytiline, due to its superior quality, is generally quoted at nine-tenths of a cent per pound higher than other oils.

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FOREIGN NEWS ON FATS AND OILS

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THE PALM OIL INDUSTRY OF WEST AFRICA

The exports of palm kernels from the principal exporting colonies of West Africa amounted to about 601,778 short tons in 1925 compared with prewar average exports of about 345,785 short tons. The exports of palm and palm kernel oil showed a corresponding increase from an annual average of 131,463 short tons before the war to 203,335 short tons in 1925. Although the development in this trade has been considerable it has been hindered by wasteful and ineffieicnt methods of oil and kernel extraction which have resulted in an inferior product, according to a report dated April 6, 1927, from Vice-Consul C. E. Macy, at Dakar, Senegal. The threat of formidable competition for the palm oil trade from Sumatra (see Foreign Service Release FO-19) and Malaya has, however, made obvious the need of adopting more efficient methods. In the following paragraphs Vice-Consul Macy discusses the importance of the palm oil industry to the various colonies in West Africa and the methods now in use and points out the problems confronting the industry.

Importance of Palm Oil and Palm Kernel Trade to West African Colonies

The palm tree products constitute roughly 70 per cent of the export trade of Sierra Leone and more than 50 per cent of those of Nigeria. On the other hand, palm products form only 16 per cent of the value of the Gold Coast's exports because of the predominance of cocoa cultivation. In French West Africa, palm kernels and oil form approximately 60 per cent of the value of all exports from the colonies of Dahomey, the Ivory Coast and French Guinea. In Dahomey alone palm tree products form over 90 per cent of the total value of all exports. The main part of Senegal is too far north for palm forests to flourish and exports therefrom originate solely in the Casamance, the region south of British Gambia.

Methods of Palm Oil Extraction and Palm Kernel Production

The following description of the native method of producing palm oil and palm kernels in French West Africa is basically the method in use in all West African colonies. Palm oil is extracted from the pericarp of the ripe fruit of several varieties of the palm tree, mainly in French West Africa the variety Elacis guineensis. The palm fruit clusters are gathered, so far as possible, when they are just ready to drop off the

tree. The clusters, containing some unripe fruit, are collected in piles and left for several days until fermentation sets in, which permits the fruit to be readily separated. The fruit, now detached from the stalk clusters, is again left to ferment, after which it is boiled in jars for three or four hours or until the pulp separates readily from the pits or nuts. The cooked fruit is then pounded or stamped on with the feet, until all nuts have been separated from the pulp mass. This mass is then kneaded by hand under water; the oil extracted comes to the surface, is skimmed off, put in a crock or jar and boiled for several hours. This last is a refining operation to get rid of impurities both by the skimming off of froth from the top and by the deposit of sediment in the bottom of the jar. The resultant oil is that sold to the traders as native palm oil. The quality is poor, mainly because of the part fermentation has played in its preparation. Its free acid content usually runs from 15 to 50 per cent upon arrival at the refining plant. Palm oils from Lagos (Nigeria) and Dahomey ordinarily have a low acid content and consequently command relatively high prices.

This method of oil extraction has many disadvantages, the most important of which are, first, the incomplete utilization of the raw product and second, the production of an inferior quality of oil. Only about one-third of the oil that the pulp contains is ordinarily extracted, at best not more than one-half. Furthermore, only a part of the oil is exported since it is consumed in large quantities by the natives. The oil produced by native process is so rancid because of its acidity that it can only be devoted to industrial uses, such as soap making, and cannot be used in the preparation of food products. The natives keep the best oil for their own use and, in fact, employ a different and more careful method when producing oil for their domestic use. In such cases only the ripe fruit is used and it is boiled as soon as gathered, thus avoiding fermentation. As soon as cooked, the fruit is taken out and pounded in a mortar, and the nuts are extracted. The pulp is then returned to the jar where it is reboiled and the oil comes to the surface and is skimmed off. Oil so prepared does not have an acid content of over 10 per cent, but none of this oil enters the export trade.

The native method of oil extraction is slow and laborious. All operations are performed by hand and it is estimated that to produce 29,000 short tons of oil (1925 export figures for French West Africa), approximately 12,000,000 native work days were required. Palm kernel production also requires a large amount of labor. The nuts, after being separated from the pericarp, are left to dry in the sun. Later on they are taken into the huts or placed under a shed where they remain until sufficiently dry so that the kernels can be easily separated from the shell. The nuts are then cracked by hand, between two rocks, by the women and children. At this intermittent style of work, about 6 or 7

kilograms (13 to 15 pounds) of nuts are broken per day, making the daily kernel output per native about 2 kilograms or 4 pounds. On this basis about 35,000,000 native work days were required to produce the 83,000 short tons of kernels which were exported from French West Africa in 1925.

Problems Confronting the Industry

So far as the technical aspects of the industry are concerned, the problems presented are by no means insuperable. Two methods now being attempted to secure a more complete utilization of the raw product are, first, mechanical treatment of the fruit in easily accessible central factories (British West Africa) and second, persuasion and encouragement of the natives to use hand power pressing machines (French West Africa). It is universally conceded that the solution of the acidity problem lies in preventing fermentation. Experiments made in the Ivory Coast by the French are said to have shown that by gathering the fruit when ripe, steam cooking it at a temperature of 100° centigrade (to destroy the hydrolitic enzymes), and then extracting the oil immediately afterwards, palm oil with less than 10 per cent acidity can be obtained. To enable the natives to do nearly as well would only require their being furnished with a sort of double boiler to cook the fruit, and a hand press.

The main problem in attempting to improve the quality and increase the volume of the native product rests in the indifference of the native to learning or adapting himself to, new methods. This problem is enhanced by the fact that there is a large market for palm oil within Africa itself. An immense new native market for Nigerian palm oil, for example, has been recently opened up in the Sudan area by the linking of the Eastern railway from Port Harcourt with the Lagos-Kano line at Kaduna. As a result, a five gallon kerosene tin of palm oil has recently been selling in the interior of the palm belt area of Nigeria for about $2.50, a price which is the equivalent of about $14.50 a ton higher than European traders can pay on the spot at prevailing Liverpool quotations. The Nigerian native cares nothing about threatened competition in the European markets and remains unresponsive to appeals for modernizing production, so long as he has a market for all the oil he can produce under present methods among the 20 million other natives in his own country. The question, therefore, seems to merge itself in the last analysis into the problem continually confronting West African colonial administrators, that of raising the level of native intelligence to a point where a desire for European products arises or can be created, and then showing them ways whereby, through use of improved methods, their revenue can be increased, thereby providing means to gratify the new desires.

PALM KERNELS: Exports from West Africa, average 1909-13, annual 1923 to 1925

Country	1909-13 Average	1923	1924	1925
	Short tons	Short tons	Short tons	Short tons
British West Africa:				
Nigeria	194,336	249,950	283,186	300,955
Sierra Leone	51,244	66,699	68,450	70,818
Gold Coast	14,203	4,208	7,383	7,357
French West Africa:				
Dahomey	37,703	40,798	50,325	49,855
Ivory Coast	6,529	13,230	14,393	16,078
Guinea	5,176	10,331	11,706	11,664
Senegal	1,680	3,343	3,041	3,215
French Cameroons	17,101	29,523	31,735	40,149
French Togoland	10,647	11,377	13,814	9,718
Belgian Congo	a/ 7,166	60,194	52,334	81,922
Liberia	-	7,874	9,244	10,047
Total	345,785	497,527	545,611	601,778

a/ 1910-13 average.

PALM AND PALM KERNEL OIL: Exports from West Africa, average 1909-13, annual 1923 to 1925

Country	1909-13 Average	1923	1924	1925
	Short tons	Short tons	Short tons	Short tons
British West Africa:				
Nigeria	90,278	111,370	142,332	141,460
Sierra Leone	3,274	3,747	3,483	3,346
Gold Coast	7,304	177	1,512	1,594
French West Africa:				
Dahomey	14,282	15,103	18,954	18,609
Ivory Coast	6,738	8,829	8,670	9,105
Guinea	92	928	903	932
Senegal	1	3	-	10
French Cameroons	3,977	3,411	4,712	6,917
French Togoland	3,203	3,212	3,691	2,938
Belgian Congo	a/ 2,314	13,688	15,550	18,424
Total	131,463	160,468	199,807	203,335

a/ 1910-13 average.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN NEWS ON FATS AND OILS

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COPRA TRADE IN BRITISH MALAYA DURING 1926 AND 1927 PROSPECTS

Copra, the dried kernel of the coconut, is one of the principal exports of British Malaya, according to R. M. J. Fellner of the American Consulate in Singapore, Straits Settlements. This product contains 68 to 72 per cent of oil, which, when extracted, is known as coconut oil. However, inasmuch as copra crushing and the extraction of its oil and other valuable ingredients is not done locally on a large scale, the Malayan trade in copra is confined principally to the production of the raw product and to its exportation to foreign countries.

British Malaya is the United States' most important source of supply for copra outside of the Philippines. Imports of coconut oil into the United States during 1926 amounted to approximately 247,000,000 pounds. In addition, a total of 458,000,000 pounds of copra was imported. The Philippines supply around 60 per cent of our imports of copra and practically all of our imports of coconut oil. The principal use for refined coconut oil in this country is in the manufacture of vegetable margarines and cooking oils, for which purpose it competes directly with American cottonseed oil.

On account of the commercial importance of copra, coconuts are second only to rubber, in the planting industries of Malaya. The principal coconut areas are in Penang, Province Wellesley; Krian; The Dindings; Lower Perak; and the coastal districts of Pahang, Jahore and Kelantan. It was estimated, by the Secretary for Agriculture of the Straits Settlements and Federated Malay States, that 492,495 acres of land were devoted to coconut plantations at the end of the year 1925.

The majority of the coconut plantations locally average from 50 to 60 trees per acre. The tree usually comes into bearing between the fourth and sixth year after planting, and may continue to bear good crops of fruit for more than sixty years. When the tree comes into its bearing, the ripe nuts are collected every two to two and a half months. The average palm yields 50 nuts per annum. The approximate annual yield per acre is 2,500 nuts.

Collecting and shipping

Nuts for making copra are only collected when fully ripe. After harvesting, the nuts are usually allowed to remain unhusked for about two weeks; the fibrous husk is then removed, and the nuts split open with a sharp knife. The kernel or meat is removed from the shell and dried in the sun, or in special kilns artificially heated. The latter method is both quicker and cleaner. Usually 4,000 nuts produce one ton of copra. When ready, the copra is packed in gunny bags for shipment abroad.

Approximately two-fifths of the copra shipped from British Malaya originates in the Dutch East Indies. Shipments to the United States go almost exclusively to the Pacific Coast, principally San Francisco. This may be attributed to the fact that the high freight rate on copra to New York makes business with that port less profitable. The following tabulation gives the total exports of copra from British Malaya during the year 1926 and the exports to the United States. The balance goes principally to the United Kingdom and continental markets.

COPRA: Exports from British Malaya during 1926

Month	To the United States	Total exports
	Short tons	Short tons
January	1,349	10,983
February	10,255	18,369
March	6,693	17,473
April	7,563	16,314
May	2,780	12,472
June	3,612	17,499
July	7,205	17,512
August	3,929	20,203
September	-----	17,836
October	5,046	22,934
November	4,200	20,307
December	-----	15,594
Total	52,632	207,496

Local coconut oil trade

Coconut oil crushing in British Malaya has to a large extent given way to the European industry and by far the largest portion of the copra is now exported. There are eight oil mills in British Malaya with capacities varying from 8,000 to 80,000 pounds per day. It has been estimated that the total daily production of the mills averages 215,000 pounds. Dealers state that the sales of coconut oil in British Malaya, Siam and the Dutch East Indies have increased by 10 per cent in 1926 over 1925, and an increase in the same ratio is anticipated for 1927. During 1925 a total of 8,606 short tons of coconut oil was exported from British Malaya. The shipments were destined principally for Sumatra, Siam and China. The quantities exported during 1926 amounted to 9,554 short tons.

Local uses of coconut oil

Coconut oil is chiefly used locally in the preparation of food. The Malay natives, who are Mohammedans, employ it as a substitute for lard. The Indians also use the product, washing themselves with coconut oil during certain religious ceremonies. Another use is for mixing with kerosene in oil lamps because the kerosene, when burned alone, is inclined to give out too much smoke. The coconut oil shipped from British Malaya to China is destined chiefly for Shanghai and is employed in the manufacture of soap.

Local opinion regarding the future of copra for 1927

A summary of general opinion and trade gossip prevalent in British Malaya leads to the belief that the production of copra for 1927 in that section of the Far East will be lower than in 1926. The Philippine copra crop for 1927 has been adversely affected by the typhoon. The American Trade Commissioner at Manila, Philippine Islands, states that trade estimates there place the shortage in the 1927 Philippine copra crop at 20 per cent. A report received from the American Consul at Sourabaya, Java, states that thousands of coconut trees, in the Residency of Menado, have di died and had to be cut down as a result of the outbreak of a cochineal plague in the Sanjir Islands. The exact extent of the damage, which is serious, has not yet been determined. The Menado Residency is the most important copra region of the Dutch East Indies, being responsible for approximately 25 per cent of the entire copra production of the Dutch East Indies. Owing to the recent floods in Malaya, numerous local produce agents state that the production of copra in British Malaya during 1927 will probably fall short of 1926 by approximately 10 per cent.

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FOREIGN NEWS ON FATS AND OILS

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MUSTARD SEED PRODUCTION AND TRADE IN CHINA

The production of mustard seed for export purposes has become an important business of the Province of Shansi in China in recent years, according to a report received in the Department of Agriculture from Vice-Consul Angus I. Ward in Tientsin. The area of the entire region in which mustard seed is produced is approximately 15,000 square miles. The eastern limit of the producing region coincides with the Chihli-Shansi provincial border. The area extends westward to the Yellow River and to the Shansi-Mongolia provincial boundary. The southern limit is the inner loop of the Great Wall and the northern limit parallels the southern limit at a distance of about 100 miles. All of the mustard seed exported from this area is sent to Tientsin, which, although several hundred miles distant from the producing area, is the nearest export market.

The importance of the export mustard seed industry in Shansi is a development resulting from the introduction and increasing use of American kerosene. Until 1918 mustard seed was produced principally for the oil which it yielded. This oil was used locally for illuminating and for lubricating purposes. A small percentage was also used for edible purposes. Previous to 1918 only small quantities were exported, principally to Japan. With the completion of the Kalgan-Fengchan section of the Peking-Suiyuan Railroad in 1915, the area in which mustard seeds are produced was opened to railway transportation. This area was then made a sales area for American petroleum products. As a result of the increasing competition of kerosene with mustard seed oil for illuminating purposes, local producers have been compelled to seek other outlets for mustard seed. While it is estimated that between 50 and 60 per cent of the total mustard seed crop is still being used for making mustard seed oil for illuminating purposes, the farmers realize the inferiority of mustard seed oil for that purpose and its use will decline and exports increase as soon as traffic conditions on the railroad will permit the importation of sufficient quantities of kerosene, states Mr. Ward.

Planting and harvesting

While a certain quantity of mustard seed is produced from wild plants, most of the production comes from cultivated plants. Mustard is used for breaking in new soil, as it is very hardy and in being cultivated it kills off weeds and other vegetable growths that cause difficulty to the farmers. The first crop on a new farm is generally mustard seed, which gives the farmer little trouble to raise and is usually assured a ready sale. Sometimes the first two or even three crops are mustard seed, if the farmer is in great need of finances or if the land being cultivated is of a very 'wild' nature.

Planting generally takes place in April. The harvest is gathered during late August or early September. The stalks of the plants are cut off close to the ground, or they are pulled out by the roots, after which they are spread on the ground or on mats several days for drying. As soon as the stalks are sufficiently dried they are gathered and again spread out on threshing floors, where they are threshed by hand with flails.

After threshing the seeds are winnowed, but the winnowing process is so inefficient that when the seeds arrive at Tientsin they must be cleaned before they can be bagged for export. The farmers are reluctant to make any effort to place cleaned seeds on the market, their contention being that the buyers are so accustomed to deducting a certain tare for impurities that even though the seeds were thoroughly cleaned the buyers would still insist on making a deduction for impurities.

Crop improvement

The exporters of mustard seeds at Tientsin are unanimous in the opinion that the 1926 crop of mustard seeds is the best crop in point of quality that has been produced during the nine years, 1918 to 1926, that mustard seeds have been of importance to the export trade of Tientsin. The improvement in the quality of the 1926 crop is the result of the constant effort of exporters at Tientsin to have farmers raise better seed. Several foreign firms with branch offices at Kalgan in the producing area have at various times furnished good quality seed to the farmers with the understanding that the farmers were to sell the crop to the buyers of the firms supplying the seed, the farmers being given a special inducement through the promise of a premium over the current market prices for common mustard seeds. A foreign exporting house at Tientsin has been saving the best seed coming into its hands over a period of several years, which seed it has returned to the farmers for planting. This firm reports very satisfactory results and has stated that upon the return of less disturbed conditions it will renew its efforts to improve the mustard seed crop. No effort is being made by this firm to distribute better seeds during the current year because of the disturbed political conditions and the consequent tie-up of transportation facilities.

Acreage and yield

No estimate can be secured as to approximate acreage actually devoted to the production of mustard seed. Due to the rapidity with which new regions are being opened to agriculture on the Peking-Suiyuan Railway, and inasmuch as mustard seeds are the first crop on such new land, it is probable that the acreage will continue to increase for a number of years. After land has been brought under cultivation it is generally planted to mustard for a season in cycles of five to six years. On account of lack of reliable statistics, there is no estimate of the quantity of mustard seeds produced in a normal year. Based on an estimate that approximately only 40 to 50 per cent of the total crop is exported, and employing the export statistics of the Tientsin Chinese Maritime Customs as a basis of computation, the following is an estimate of the mustard seed crop for the years 1924 to 1926:

MUSTARD SEED: Estimated total crop in Shansi Province

Year	Minimum estimate	Maximum estimate
	Pounds	Pounds
1924	12,989,100	16,236,500
1925	26,086,100	32,607,700
1926	21,276,500	26,970,000

Transportation to Tientsin

As soon as possible after the threshing of the mustard seeds has been completed the seeds are brought overland to stations along the Peking-Suiyuan Railway, where they are sold by the farmers to native dealers or to buyers representing the foreign export houses at Tientsin. The seeds are then shipped by rail to Tientsin. The shipping of mustard seeds to the coats now being dependent on rail transportation, railway conditions have a great influence on the quantity offered for export.

Freight transportation by rail between Kalgan and Tientsin has been very irregular and highly taxed during the past several years. One large exporter of mustard seeds at Tientsin stated recently that unless great precautions are taken and elaborate plans made for the transportation of their incoming shipments of mustard seeds, the freight and local taxes en route would amount to more than the market value of the seeds at Tientsin. This situation naturally is retarding the development of the mustard seed industry.

Under normal conditions the first shipments of the new harvest arrive in Tientsin during the month of November, and continue to arrive until early March. Disrupted railroad facilities during the past few years, however, have interfered with the normal schedule, with the result that shipments of mustard seeds destined for the export trade now arrive at Tientsin throughout the entire year, the only controlling factor being the availability of rail transport. The dealers and shippers prefer to make all shipments during the months of September to April, inclusive, which is the dry season. The hot and wet weather of the summer months make the handling of mustard seeds a precarious undertaking, and shipments made during these months frequently suffer greatly through deterioration.

Middlemen

In instances where mustard seeds are purchased from the farmers by native dealers, it frequently happens that they pass through five or six hands before they arrive in the hands of the foreign exporting houses at Tientsin. When the seeds are purchased by the buying agents of the exporting houses, the situation is different as these buying agents supervise the transporting of the seeds to Tientsin.

In times past all purchases of mustard seeds by the exporting houses at Tientsin were made by them through their compradores. The compradore is now becoming less common, however, as some of the new firms have started doing all their buying through representatives of the firm. This method is gaining popularity and it is probably only a question of time before the compradores will be replaced by purchasing or sales managers.

Qualities and grades

There are no standard grades for mustard seeds or rape seeds (the two names being used interchangeably in local commerce), either at Tientsin or in the producing districts. The exporting firms at Tientsin submit samples of seeds to their prospective clients abroad, giving each sample a certain number or name, the qualities and designations of the samples varying with each firm. The mustard seeds shipped from Tientsin are not of high quality, in fact, they are generally classed as the poorest mustard seeds on the world market, states Mr. Ward. The Chinese mustard seeds are only about one-fourth to one-fifth the size of a high grade American seed. The color is very poor and irregular, being basicly yellow, but varying from green to black. The best mustard seeds are cultivated in the vicinity of Fengchen, Shansi Province, 113° 15' east, 40° 30' north, these seeds having good color and size. The seeds from the vicinity of Pingtich'uan, Shansi Province, 112° 40' east, 40° 35' north, rank next in quality to the seeds from the vicinity of Fengchen, but are of poorer color and less regular in size.

Cleaning and export packing at Tientsin

Although the mustard seeds are winnowed after threshing, the winnowing serves to remove only a small portion of the impurities. When the seeds arrive at Tientsin they are mixed with small stones, bits of stalks, sand, other seeds, and other foreign matter to the extent of approximately 10 to 22 per cent of the gross weight. In buying the seeds a certain tare is deducted from the gross weight for these impurities.

Both the machine and hand methods are used in cleaning the seeds, the latter being the most widely used. In the hand cleaning process the seeds are passed over coarse mesh screens, through which the seeds fall, thereby eliminating bits of stalks, small stones, and other foreign matter of a larger diameter than the seeds. The next step is to pass the seeds over a fine mesh screen through which the sand, dust and small foreign seeds fall. The machine method of cleaning is becoming more popular, and will soon replace the present more widely used hand cleaning process. The percentage of impurities in hand cleaned mustard seeds ranges from 2 to 3 per cent, whereas in machine cleaned seeds the percentage of impurities is reduced to 1½ to 2 per cent. After having been cleaned at Tientsin, the mustard seeds are packed in 2¾-pound jute bags, each bag containing from 175 to 200 pounds, depending on the custon of the individual exporter.

Stocks at Tientsin

The present stocks (May 4, 1927) of mustard seed at Tientsin do not exceed 300 short tons, states Mr. Ward. A number of dealers have been interviewed and all declare that they can make no estimate of the anticipated arrivals during the next few months as rail communication is becoming increasingly difficult. It is evident, of course, that shipments will continue to arrive, at least until rail transportation ceases completely, as it did for awhile during the early months of 1926, but they will be irregular. None of the mustard seed exporters at Tientsin are accepting orders for future delivery.

Exports

During the years 1924 to 1926, inclusive, 36 per cent by weight of the mustard seeds exported from Tientsin were shipped to the United States. Japan is the most important export market. Only the best quality seeds are shipped to the United States. Shipments to Europe are generally of lower quality than those to the United States. Japan is the chief market for the low quality mustard seeds.

Table I following shows the quantities and values of the mustard seeds declared at the Tientsin Consulate General during the years 1918 to 1926, inclusive, for exportation to the United States. Table II gives the total exports of mustard seed from Tientsin to all countries during the years 1924-26.

I. MUSTARD SEEDS: Quantity and value of exports from Tientsin to the United States, 1918 to 1926

Year	Quantity	Value	Value per pound
	Pounds	Dollars	Dollars
1918	236,640	17,785	0.075
1919	448,100	28,435	0.063
1920	543,840	30,097	0.055
1921	3,522,918	81,937	0.023
1922	6,846,228	166,342	0.024
1923	5,228,699	174,277	0.033
1924	3,004,288	97,126	0.032
1925	5,582,457	219,431	0.039
1926	6,302,350	222,451	0.035

Source: Declared Exports American Consulate General, Tientsin.

II. MUSTARD SEEDS: Total shipments from Tientsin, 1924-26

Country of destination	1924	1925	1926
	Pounds	Pounds	Pounds
United States	2,149,733	5,338,667	3,498,867
Japan	3,069,867	6,829,200	5,037,867
Great Britain	-	79,067	-
Germany	-	11,733	201,600
France	400	198,800	-
Netherlands	-	-	123,600
Hongkong	378,133	311,600	140,400
Ports in China	896,400	274,000	1,786,133
Total	6,494,533	13,043,067	10,788,267

Source: The Tientsin Chinese Maritime Customs.

Prices at Tientsin

The prices on April 26, 1927 for mustard seed suitable for export to the United States, packed in bags, on the wharf at Tientsin, ranged from Tientsin Taels 5.90 to 6.40 per picul, which is equivalent to $2.88 to $3.12 per 100 pounds in American equivalents. Quotations were being made c.i.f. New York at $4.00 to $4.35 per 100 pounds, for such stocks of mustard seeds as are now being held at Tientsin. The prices a year previous for mustard seed suitable for export to the United States, packed in bags, on the wharf at Tientsin ranged from $3.23 to $3.52 per 100 pounds.

There is no indication as to the probable trend of mustard seed prices at Tientsin during the coming months. The local exporters only rarely accept orders for future delivery unless they have the cargo in hand, so that there is no opportunity for the exporters to be "short" and thereby forced to go on the market with offers over the current prices. It is quite likely that local prices will advance somewhat, due to the ever increasing tax levies and to the premium now exacted from shippers wishing to secure freight cars for the movement of inland produce to tidewater.

Export duty and freight rates

An export duty of 5 per cent ad valorem is levied on export shipments of mustard seeds from China, which export duty is collected by the Chinese Maritime Customs. The value on which this export duty is now being assessed at the Tientsin Customs is approximately Haikwan Taels 6.00 (United States currency $3.60) per picul (133 1/3 pounds).

The freight rates from Tientsin on mustard seeds, packed in bags, to United States ports are as follows:

To Pacific Coast ports - - $8.00 per ton of 2,000 pounds.
To Atlantic Coast ports- - $11.00 per ton of 2,000 pounds.

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FOREIGN NEWS ON FATS AND OILS

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PROSPECTS FOR OLIVES AND OLIVE OIL IN THE MEDITERRANEAN BASIN, 1927-28

Judging by preliminary reports so far received in the Bureau of Agricultural Economics from the International Institute of Agriculture and Consular Officers, the production of olive oil in the Mediterranean Basin for the 1927-28 season may be about equal to or slightly above that of last year. This is due largely to the increase expected in the Spanish production for the present season since the crops of Italy and Greece, the other chief producers, are expected to be below those of last year.

The olive crop of Spain is expected to be well above last year, both in quantity and quality, according to latest reports of the crop. The production of oil is estimated at 772,000,000 pounds, compared with last year's low production of 507,300,000 pounds. The good state of the crop is attributed to abundant rainfall last spring and the absence of the olive fly. In Italy conditions are not favorable, according to a report from Consul Hale at Marseille. Olive production is estimated at 1,846,000,000 pounds, compared with 2,769,000,0 produced last year. Practically nothing is expected from the Lece district, about one-half a crop in the Bari district, and limited crops in Calabria and other districts, except for Sicily where prospects are brighter.

Recent estimates of the French Midi olive crop are rather good, reports Consul Hale. Climatic conditions this year have favored the crop and an absence of disease to any serious extent is expected to insure a production of oil of the first grade. The yield of oil is expected to amount to at least 17,600,000 pounds, and may reach 19,800,000 pounds. Production last year was between 16,500,000 and 17,600,000 pounds, according to the Consul. A good medium crop is expected from Var, the most important olive growing region of France, and the crop will probably be superior to that of last year. The department of Gard which ranks second in importance should also produce a good crop. In other departments the crop is expected to be medium to good with the exception of Alpes-Maritimes where the crop is inferior to that of last year, due to an absence of rain.

The production of olive oil in Greece for the present season is estimated at 155,000,000 pounds, according to Consul Morris at Athens. This is below last year's estimate of 193,600,000 pounds. In Tunis the crop will be deficient and will be one of the lowest in recent years, due to lack of rain. The condition is reported as only 70 per cent of the average. Production in Algeria, French Morocco and Palestine should be generally good. In Algeria the crop is above average and of high quality. Oil production is estimated at 39,680,000 pounds, or well above last year, when 22,000,000 pounds were produced.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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Washington

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FOREIGN NEWS ON FATS AND OILS

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RECORD SPANISH OLIVE OIL CROP

Production of olive oil in Spain for the 1927-28 season is expected to reach 1,205 million pounds, according to Consul Henry at Barcelona. Should this estimate be borne out by later conditions the crop would be the largest of which there is any record for that country. Normal production of oil in Spain, the world's largest producer of olive oil, is about 660 million pounds but production last year was below the normal, being only 507 million pounds.

The olive crop is also a record one and is officially estimated at 6,291 million pounds compared with last year's production of 2,845 million pounds.

BEAN CROP OF NORTH MANCHURIA BELOW EXPECTATIONS

Beans from the new crop of North Manchuria recently put on the market are found to be of poor quality with much moisture due to recent rains, according to a trade report. Early reports indicated that the crop of this district would be from 10 to 15 per cent above the normal, but because of unfavorable weather a decrease of 30 to 35 per cent below normal yield may occur along the eastern section of the Chinese Eastern Railway. Severe cold for the time of season is also causing damage and the harvest is believed to be delayed.

DECREASE IN RUSSIAN FLAX AREA

The 1927 flax area of Russia is placed by the Berlin Boersen Courier at 3,954,000 acres or 27,000 acres below their estimate of 3,981,000 acres for the 1926 acreage, according to a cable to the Bureau of Agricultural Economics from Acting Agricultural Commissioner Steere at Berlin. This 1926 figure is above the 3,914,000 acres reported earlier in the year by the Russian Statistical Review and the International Institute of Agriculture. Some other sources give a lower figure for both years but indicate an increase for 1927 which is not in line with an early official indication of reduction in acreage.

No estimate of flaxseed production is available and reports on the condition of the crop are conflicting. In October the crop was reported to be above average but November reports indicate unsatisfactory returns, as also do the lack of Russian offers on European markets. The Russian export movement is expected to be small due partly to the large domestic requirements. The flax fiber crop of Russia is expected to be somewhat below last year.

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